

## Michaud Leads Effort to Improve Federal Economic Development Efforts in Maine

Friday, March 05 2010

LEWISTON, ME &ndash; Today, Congressman Mike Michaud, a member of the House Transportation and Infrastructure Committee, pushed for an increased focus on economic development initiatives. Michaud, joined by his fellow colleagues on the Economic Development Subcommittee, urged committee leaders to act promptly on updating Economic Development Administration (EDA) programs.

LEWISTON, ME &ndash; Today, Congressman Mike Michaud, a member of the House Transportation and Infrastructure Committee, pushed for an increased focus on economic development initiatives. Michaud, joined by his fellow colleagues on the Economic Development Subcommittee, urged committee leaders to act promptly on updating Economic Development Administration (EDA) programs.

“As the only federal agency focused exclusively on private sector job creation, EDA is a vital resource for distressed communities striving to improve their local economies,” wrote Michaud and his colleagues. “EDA programs are uniquely positioned to foster economic opportunity in impoverished regions and help communities improve their connections to national and global economies.”

A reauthorization of the EDA would allow Congress to update the agency's programs and operations to improve economic development planning, outreach, and project funding. EDA currently funds a number of economic development districts throughout the country, including a number in Maine: Androscoggin Valley Council of Governments (Auburn), Eastern Maine Development Corporation (Bangor), Kennebec Valley Council of Governments (Fairfield), Midcoast Economic Development District (Bath), Northern Maine Development Commission (Caribou), and Southern Maine Economic Development District (Portland).

Examples of work done by Maine's local development districts:

- In 2007, the Kingfield Water District with assistance from the Androscoggin Valley Council of Governments received \$750,000 in EDA public works assistance to replace deteriorated pipelines serving a proposed “Poland Spring” bottling facility. The project supported the construction of a 200,000 square foot manufacturing facility built on 315 acres, four spring water withdrawal sites and four miles of pipeline. The LEED-Certified plant opened in 2008 and will eventually employ over 110 people. In 2009, the facility was recognized by Maine Governor John Baldacci as a model of environmentally sustainable development.

- Since the Loring Air Force Base closed in 1994, the Northern Maine Development Commission (Caribou, Maine) has used its EDA-funded Defense Diversification Loan Program to make 49 loans totaling \$5.2 million. These loans have resulted in the retention and creation of 2,137 jobs in this highly rural region and leveraged more than \$44 million in additional funds. These investments have assisted existing businesses affected by the closure to modify their business models, stay in business, and retain and add jobs. It has also financed new businesses that have hired dislocated defense workers.

“Now is the time to refocus on strengthening our nation's primary private sector job creation agency. Reauthorization of EDA will ensure our local communities are able to invest in critical job creation strategies and initiatives,” said Michaud.

The full text of the letter that Michaud sent today can be found below.

---

Friday, March 05, 2010

Dear Chairman Oberstar, Ranking Member Mica, Chairman Norton and Ranking Member Diaz-Balart:

As members of the House Transportation and Infrastructure's Subcommittee on Economic Development, Public Buildings and Emergency Management, we have a deep interest in ensuring that our nation's distressed and underserved communities remain economically competitive. As such, we are writing to respectfully request the committee's prompt attention in reauthorizing the Economic Development Administration (EDA).

As the only federal agency focused exclusively on private sector job creation, EDA is a vital resource for distressed communities striving to improve their local economies. Throughout every congressional district, EDA provides the necessary infrastructure investments, strategic planning assistance and capital to support the expansion of businesses and job creation. EDA programs are uniquely positioned to foster economic opportunity in impoverished regions and help communities improve their connections to national and global economies.

With well over four million private sector jobs created and roughly \$150 billion in private sector investment leveraged since its inception, EDA has amassed an impressive record of assisting communities struggling to overcome both long-term economic challenges and sudden economic hardships. An analysis released by Grant Thornton and ASR Analytics in September 2009 found that EDA's core public works program generates "between 2.2 and 5.0 jobs per \$10,000 in incremental EDA funding, at a cost per job of between \$2,001 and \$4,611." These are highly impressive rates of return for any economic development entity, whether at the federal, state or local level.

The unemployment rate stands at 10 percent. More than seven million jobs have been lost since the recession began. Currently, more than 15 million Americans are without jobs. Now is the time to refocus on strengthening our nation's primary private sector job creation agency. Reauthorization of EDA will ensure our local communities are able to invest in critical job creation strategies and initiatives. Thank you for your attention to this important issue.

Sincerely,

MICHAEL H. MICHAUD

MICHAEL A. ARCURI

ANH "JOSEPH" CAO

HEATH SHULER

TIMOTHY J. WALZ

RUSS CARNAHAN

CHRISTOPHER P. CARNEY

# # #